National Defence / Défense nationale

DEPARTMENT OF NATIONAL DEFENCE

REPORT ON PLANS AND PRIORITIES

2009-2010

Canada

TABLE OF CONTENTS

MINISTER'S MESSAGE **1**

SECTION I: INTRODUCTION **1**

RAISON D'ÊTRE 1
PLANNING CONTEXT 2
PLANNING SUMMARY 8

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME **20**

SECTION II A – PROGRAM ACTIVITY: GENERATE AND SUSTAIN RELEVANT, RESPONSIVE AND EFFECTIVE COMBAT-CAPABLE INTEGRATED FORCES 20
SECTION IIB – PROGRAM ACTIVITY: CONDUCT OPERATIONS 27
SECTION IIC – PROGRAM ACTIVITY: CONTRIBUTE TO CANADIAN GOVERNMENT, SOCIETY AND THE INTERNATIONAL COMMUNITY IN ACCORDANCE WITH CANADIAN INTERESTS AND VALUES 31
SECTION IID – PROGRAM ACTIVITY: INTERNAL SERVICES 34

SECTION III: SUPPLEMENTARY INFORMATION **39**

FINANCIAL AND HUMAN RESOURCE TABLES 39

SECTION IV: HUMAN AND FINANCIAL RESOURCE TABLES ON DEFENCE AND SELECTED DEFENCE PORTFOLIO ORGANIZATIONS **41**

SECTION V: ADDITIONAL INFORMATION **43**

APPENDICES 43
LIST OF ACRONYMS 44
CONTACT LISTING 46

INDEX **47**

MINISTER'S MESSAGE

It is a pleasure to present to Parliament, National Defence's Report on Plans and Priorities for fiscal year 2009-2010.

Over the coming year, the Government's priority for Defence will be to ensure continued success in operations as part of whole-of-government efforts, especially in Afghanistan, while moving forward on our plan to strengthen and modernize the Canadian Forces (CF). Given the current economic climate, we will ensure that we manage our defence priorities in a fiscally sound manner and that those priorities contribute to the Government's broader efforts to strengthen the economy.

The Defence mission is to defend Canada and Canadian interests and values while contributing to international peace and security. We have entrusted this mandate to the men and women of the CF and the civilian members of the Defence Team and we need to ensure that they have the resources and support they need to deliver.

To that end, the Government has put forward the *Canada First* Defence Strategy (CFDS), a plan to rebuild the CF through balanced investment across the four pillars upon which military capabilities are built – personnel, equipment, readiness and infrastructure. The CFDS will ensure that Canada has a modern military well-trained and well-equipped to take on the challenges of the 21st century. It will also set the stage for a renewed relationship with the Canadian defence industry which will benefit Canadian companies and create jobs for Canadians across the country during these difficult economic times.

Over the coming fiscal year, as we move further ahead on the implementation of the CFDS, Defence will continue to conduct missions as part of a whole-of-government approach to keep Canadians safe and secure. First and foremost, the CF will deliver excellence at home, including exercising sovereignty in Canada's Arctic and supporting other government departments during international events in Canada such as the Vancouver 2010 Winter Olympics and June 2010 G-8 Summit, which will be held in Hunstville, Ontario. We will also demonstrate that we remain a strong and reliable partner in the defence of North America, and will work with the new American administration to reinvigorate Canada's comprehensive defence relationship with the United States. In addition, Defence will continue to foster our engagement with the Americas by strengthening our partnerships with hemispheric nations and institutions.

National Defence will also continue to play a strong leadership role abroad by making significant contributions to global security, including in Afghanistan. Canadians and their government recognize the magnitude of the sacrifice made by members of the CF serving their country under such dangerous circumstances. This difficult and important mission continues to help the Afghan people rebuild their nation and will lead to a safer Canada.

As we work to fulfill our priorities, Defence will continue to ensure management excellence through our own internal fiscal discipline and through the effective delivery of

our programs by strengthening accountability and performance management and demonstrating to Canadians the results achieved.

Our men and women in uniform will also stand ready to provide humanitarian assistance when disaster strikes. The Canadian Forces have a long tradition of helping those in need. Our navy's contribution to the safe delivery of food from the United Nations World Food Programme in Somalia in 2008 is one such example. Our new C-17 Globemaster transport aircraft are also greatly enhancing our ability to quickly and efficiently deliver equipment and personnel where they are most needed in case of emergency.

The professionalism, commitment and dedication of the CF are recognized by our allies the world over and by Canadians coast to coast. As Minister of National Defence, I am proud to lead this national institution and represent the men and women in uniform and the civilian members of the Defence Team who daily demonstrate their commitment to meet our defence mission.

The Honourable Peter G. MacKay, P.C., M.P.
Minister of National Defence

SECTION I: INTRODUCTION

Raison d'être

Sovereignty, Security, and Serving Canada

The Defence[1] Mission

Our mission is to defend Canada and Canadian interests and values while contributing to international peace and security.

The Government has established a level of ambition for the Canadian Forces (CF) that will enable them to meet the country's defence needs, enhance the safety and security of Canadians and support the Government's foreign policy and national security objectives. To fulfill these commitments, the CF must be able to deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by making meaningful contributions to international security.

The CF will have the capacity to:

- Conduct daily domestic and continental operations, including in the Arctic and through NORAD;
- Support a major international event in Canada, such as the 2010 Olympics;
- Respond to a major terrorist attack;
- Support civilian authorities during a crisis in Canada such as a natural disaster;
- Lead and/or conduct a major international operation for an extended period, and
- Deploy forces in response to crises elsewhere in the world for shorter periods.

To carry out these roles successfully, the CF will maintain a range of modern military capabilities that are fully integrated, flexible, multi-role and combat-capable.

The Defence Portfolio

The Defence mission is carried out by the Department of National Defence (DND), the CF and supported by a group of related organizations and agencies. Further details on selected Defence Portfolio organizations, including the Communications Security Establishment Canada (CSEC), National Search and Rescue Secretariat and Defence Research and Development Canada (DRDC), among others is available at Appendix A.

Legislation and Regulations Administered

The *National Defence Act* establishes DND and the CF as separate entities operating in close cooperation in an integrated National Defence Headquarters and elsewhere under the authority of the Minister of National Defence. The *National Defence Act* also establishes a Deputy Minister to be responsible for policy, resources, interdepartmental co-ordination and international defence relations, and designates the Chief of the Defence

[1] The Department of National Defence (DND), the Canadian Forces (CF) and the organizations and agencies that make up the full Defence portfolio and collectively referred to as Defence.

Staff, the senior serving officer of the CF, as the person "...who shall, subject to the regulations and under the direction of the Minister, be charged with control and administration of the Canadian Forces." As well as the *National Defence Act*, the Minister is also responsible for the administration of the statutes, regulations and orders listed at Appendix B.

Planning Context

The need for Canada to have a sustainable and affordable military capable of meeting the country's defence needs and concurrently support its national and foreign policy objectives must be at the core of Defence planning.

While our immediate security environment remains relatively stable and secure, Canada continues to face a number of significant security concerns. Ethnic and border conflicts, fragile states, resurgent nationalism and global criminal networks will continue to pose significant threats to international stability. Terrorist attacks around the world have clearly demonstrated how instability and state failure can affect our security and that of our allies. In this regard, our mission in Afghanistan is an important contribution to global security.

The proliferation of advanced weapons and the potential emergence of new adversarial states headed by unpredictable regimes are also particularly worrisome. Finally, the ongoing build-up of conventional forces in Asia Pacific countries is another trend that might have a significant impact on international stability in the coming years.

Domestically, the CF plays an important role in supporting other departments and agencies in responding to numerous challenges, including those resulting from catastrophic events, increased activity in the Arctic, human and drug trafficking, foreign encroachments on Canada's natural resources, potential outbreaks of infectious diseases, and the need to help provide security for important events in Canada, such as the Vancouver 2010 Olympic and Paralympic Games and the G8 Summit.

Responding effectively to these challenges calls for Canada to closely collaborate with its allies, including the United States, with whom we will work to reinvigorate our already strong relationships. It also calls for Defence to maintain a modern and flexible military that is capable of operating at home and abroad across the full spectrum of operations. To that end, the *Canada First* Defence Strategy, detailed below, is being implemented.

Canada First Defence Strategy

The *Canada First* Defence Strategy (CFDS) provides guidance for the modernization of the CF and further expands its ability to deliver excellence at home, to be a strong and reliable partner in the defence of North America, and to project leadership abroad.

The Government will provide Defence with predictable long-term funding. This will build on Budget 2006, which increased annual baseline funding by $1.8 billion effective fiscal year 2010-2011. The Government announced in Budget 2008 an increase to the existing annual escalator in defence spending to 2 percent from the current 1.5 percent, beginning in fiscal year 2011-2012. This last element will provide Defence with an additional $12 billion over the next 20 years, bringing its annual budget to nearly $31 billion in fiscal year 2027-2028.

Specifically, Defence will replace the CF's core equipment fleets, expand the overall military to 70,000 Regular Forces personnel and 30,000 Reserve Forces personnel, strengthen the overall state of readiness, and improve and modernize defence infrastructure. The infusion of long-term, stable funding will also enable Canadian industry to be better positioned to compete for defence contracts at home and abroad. Indeed, the implementation of the CFDS will provide real benefits for the Canadian economy during this time of global economic uncertainty. The foregoing supports the Government's commitment to get the best equipment for the CF, at the best price for Canadians, with the best benefits for Canadian companies and workers.

Implementing the *Canada First* Defence Strategy

As we implement the CFDS and rebuild the CF to respond even more effectively to these challenges, we will need to recognize the considerable economic and demographic changes taking place in Canada and around the world; we need more than ever to invest our resources wisely and prudently. At the same time, Canadian society is changing in a way that will undoubtedly affect Defence's workforce. As the labour market continues to age, the competition among employers to attract young, skilled workers will remain.

In this context, it is critical that the Department have a clear, sustainable and affordable plan to implement the Government's multi-year strategy for Defence. The Department has developed an Investment Plan (IP) that will provide a clear picture of Defence's planned investments for the five-year period from fiscal year 2009-2010 to fiscal year 2013-2014. The IP will enable the successful implementation of the Defence Strategy by maintaining balance across the four pillars upon which military capabilities are built – personnel, equipment, readiness and infrastructure, which will ensure the long-term affordability and coherence of the defence programme. Further details on the IP are available on page 34.

Strategic Challenges

Defence has identified a number of strategic challenges as listed below. These will continue to be carefully managed to counter the full spectrum of security challenges and progress the implementation of the CFDS.

- there is a necessity to address the short-term personnel pressures of high operational tempo, while maintaining the flexibility to grow and sustain the Department in face of challenges such as changing demographics;
- our capital acquisition activities must be managed to adjust to immediate operational requirements and to develop new capabilities over time to address the threats identified by our assessment of the future security environment;
- our real estate portfolio in support of CF activities must also be efficiently managed;
- the CF must be flexible and prepared to deploy in response to government direction for current near- and long-term national security requirements; and
- there is a fundamental range of essential support activities, such as Information Management/Information Technology (IM/IT), which must be sustained to meet the Department's mission and to invest in the future.

Detailed information on the first four strategic challenges outlined above is located in Section IIA – Program Activity: Generate and Sustain Integrated Forces. Additional information on Departmental Enablers can be found in Section IID – Program Activity: Internal Services.

The Defence Program Activity Architecture

Within the umbrella of the Management Resource and Results Structure (MRRS) Policy, the Program Activity Architecture (PAA) is the required planning, management and reporting mechanism for Defence. In response to past Management Accountability Framework (MAF) assessments, Defence is developing a revised framework, for implementation in fiscal year 2009-2010, that will consist of four strategic outcomes that reflect its business processes of acquiring resources to meet Government's expectations of Defence, ensuring readiness of Defence capabilities, the conduct of operations and the contribution to Canada and the international community.

This new structure will better reflect Defence's business outcomes and will provide greater transparency as to how Defence plans and manages. It will also provide a better format for reporting financial and non-financial performance information.

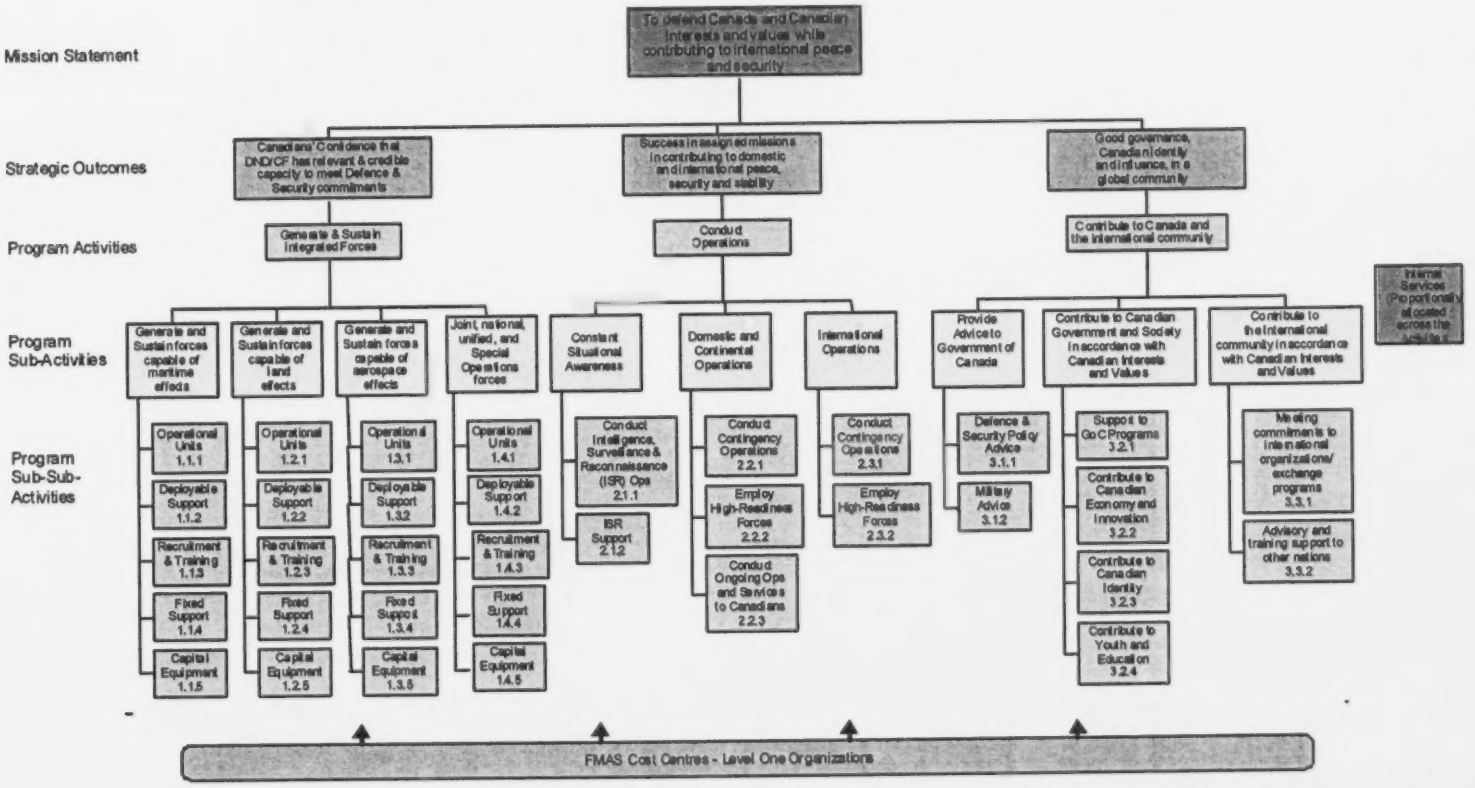
Currently, Defence's three strategic outcomes are:

- Canadians' confidence that Defence and the CF have relevant and credible capacity to meet defence and security commitments;
- Success in assigned missions in contributing to domestic and international peace, security and stability; and
- Good governance, Canadian identity and influence in the global community.

Reporting in this RPP for fiscal year 2009-2010 will be at the Program Activity level of the current PAA while the Department transitions to the new PAA. For further information on Defence's PAA, please refer to the PAA Chart on the following page. Appendix C provides further information on performance measure expectations related to the Report on Plans and Priorities and the PAA.

Chart 1

Department of National Defence - Program Activity Architecture (PAA)


Mission Statement
To defend Canada and Canadian interests and values while contributing to international peace and security
Strategic Outcomes
Canadians' Confidence that DND/CF has relevant & credible capacity to meet Defence & Security commitments
Success in assigned missions in contributing to domestic and international peace, security and stability
Good governance, Canadian identity and influence, in a global community
Program Activities
Generate & Sustain Integrated Forces
Conduct Operations
Contribute to Canada and the international community
Internal Services (Proportionally allocated across the Activities)
Program Sub-Activities
Generate and Sustain forces capable of maritime effects
Generate and Sustain forces capable of land effects
Generate and Sustain forces capable of aerospace effects
Joint, national, unified, and Special Operations forces
Constant Situational Awareness
Domestic and Continental Operations
International Operations
Provide Advice to Government of Canada
Contribute to Canadian Government and Society in accordance with Canadian Interests and Values
Contribute to the international community in accordance with Canadian Interests and Values
Program Sub-Sub-Activities
Operational Units 1.1.1
Deployable Support 1.1.2
Recruitment & Training 1.1.3
Fixed Support 1.1.4
Capital Equipment 1.1.5
Operational Units 1.2.1
Deployable Support 1.2.2
Recruitment & Training 1.2.3
Fixed Support 1.2.4
Capital Equipment 1.2.5
Operational Units 1.3.1
Deployable Support 1.3.2
Recruitment & Training 1.3.3
Fixed Support 1.3.4
Capital Equipment 1.3.5
Operational Units 1.4.1
Deployable Support 1.4.2
Recruitment & Training 1.4.3
Fixed Support 1.4.4
Capital Equipment 1.4.5
Conduct Intelligence, Surveillance & Reconnaissance (ISR) Ops 2.1.1
ISR Support 2.1.2
Conduct Contingency Operations 2.2.1
Employ High-Readiness Forces 2.2.2
Conduct Ongoing Ops and Services to Canadians 2.2.3
Conduct Contingency Operations 2.3.1
Employ High-Readiness Forces 2.3.2
Defence & Security Policy Advice 3.1.1
Military Advice 3.1.2
Support to GoC Programs 3.2.1
Contribute to Canadian Economy and Innovation 3.2.2
Contribute to Canadian Identity 3.2.3
Contribute to Youth and Education 3.2.4
Meeting commitments to international organizations/ exchange programs 3.3.1
Advisory and training support to other nations 3.3.2
FMAS Cost Centres - Level One Organizations
DDSM5 - 27 Feb 08

Defence Priorities

The Defence Priorities enunciate where Defence will address corporate risks, gaps in capability or capacity and where broader Government direction dictates that greater action be taken. These priorities will translate long- and medium-term goals and objectives into short-term direction for action. The Defence Priorities do not preclude the allocation of resources to undertakings necessary for the successful execution of the defence programme.

Defence Priorities, established by the Deputy Minister and the Chief of the Defence Staff, are linked to specific activities in the PAA, and are listed below to demonstrate how they will support the advancement of the priorities through specific initiatives.

Relationship Between Defence Priorities and Program Activities

The following crosswalk table shows the relationship between Defence's priorities and program activities. This link ensures that high-level performance measurement and resource information for Defence priorities and related initiatives are reported through the PAA program activities.

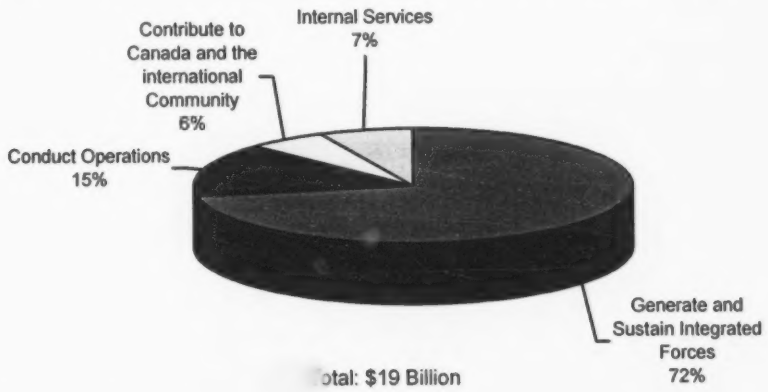
Defence Priorities 2009-2010	Program Activities			
	Generate and Sustain Integrated Forces	Conduct Operations	Contribute to Canada and the International Community	Type of Priority
Legend: O=ongoing N=New ■=Primary □=Secondary				
1. Achieve Operational and Mission Success in Afghanistan [Related Program Activities: Conduct Operations, Generate and Sustain Integrated Forces, Contribute to Canada and the International Community]				
▪ Expedite delivery of mission essential equipment;	■	□	□	N
▪ Support whole-of-government efforts in Afghanistan; and		■	□	N
▪ Expedite initiatives for the care of the injured and family support.		□	■	N
2. Support the 2010 Winter Olympics [Related Program Activities: Conduct Operations, Generate and Sustain Integrated Forces, Contribute to Canada and the International Community]				
▪ Determine requirements and responsibilities to ensure effective contributions from Defence in support of other federal government departments and agencies; and	□	■	□	O
▪ Develop plans, allocate resources and conduct exercises with key stakeholders to enable effective Defence contributions in support of Public Safety Canada and the RCMP.	□	■	□	N
3. Align Defence Activities with Key Government Priorities [Related Program Activities: Contribute to Canada and the International Community]				
▪ Implement the *Canada First* Defence Strategy through the Investment Plan, manage personnel, equipment, readiness and infrastructure resources in a manner that is consistent with Cabinet's decisions and the funding line. Develop key milestones against which to measure progress on the four CFDS pillars;	□	□	■	N
▪ Ensure that management capacities and capabilities are in	■	□	□	N

Defence Priorities 2009-2010 Legend: O=ongoing N=New ■=Primary □=Secondary	Program Activities: Generate and Sustain Integrated Forces	Program Activities: Conduct Operations	Program Activities: Contribute to Canada and the International Community	Type of Priority
place to manage growth;				
▪ Develop and implement strategies to support the Government's Advantage Canada plan, through partnerships with other government departments, the defence industry, and research and development organizations; and			■	N
▪ Implement Defence-related initiatives in support of the Government's other policy priorities, including the Northern Strategy and Going Green.			■	N
4. Build the Defence Team [Related Program Activities: Conduct Operations, Generate and Sustain Integrated Forces]				
▪ Implement retention strategies to reduce CF attrition;	■			N
▪ Implement plans to address shortages in critical military occupations; and	■			N
▪ Demonstrate leadership in Public Service Renewal, including improving human resources and business planning, streamlining staffing processes, and implementing plans to address shortfalls in key skills areas.	Internal Services			N
5. Build Excellence in Defence Management [Related Program Activities: Internal Services]				
▪ Further align governance, resource allocation and reporting processes, including leadership accountabilities;	Internal Services			N
▪ Continue to implement MRRS;	Internal Services			O
▪ Consolidate the departmental approach to IM/IT;	Internal Services			O
▪ Continue to strengthen the core Control Framework and develop materiel, infrastructure, and information control frameworks in support of audited departmental financial statements; and	Internal Services			O
▪ Undertake measures to address the "Web of Rules" within DND/CF.	Internal Services			N

Source: Vice-Chief of the Defence Staff Group

Planning Summary

Forecast Spending for Fiscal Year 2008-2009 by Program Activity


Contribute to Canada and the international Community 6%
Internal Services 7%
Conduct Operations 15%
Generate and Sustain Integrated Forces 72%
Total: $19 Billion

Overview of Financial Resources

The financial resources table below provides a summary of the total planned spending for Defence for the next three fiscal years.

($ Thousands)	Forecast Spending 2008-2009	Planned Spending 2009-2010	Planned Spending 2010-2011	Planned Spending 2011-2012
Total Forecast/Planned Spending	19,143,137	20,993,001	20,591,564	19,697,252
Capital Spending (including Total Forecast/Planned Spending)	3,413,911	4,970,665	4,781,910	4,601,370

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Voted and Statutory Items Displayed in the Main Estimates

($ thousands)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	Fiscal Year 2008-2009 Main Estimates*	Fiscal Year 2009-2010 Main Estimates*
1	Operating expenditures	13,519,620	13,460,216
5	Capital expenditures	3,356,705	4,272,890
10	Grants and Contributions	192,396	223,498
(S)	Minister of National Defence – Salary and Motor Car Allowance	76	78
(S)	Payments under the Supplementary Retirements Benefits Acts	6,796	6,079
(S)	Payments under Parts I-IV of the Defence Services Pension Continuation Act (R.S., 1970 c. D-3)	1,493	1,319
(S)	Payments to dependants of certain members of the Royal Canadian Air Force killed while serving as instructors under the British Commonwealth Air Training Plan (Appropriation Act No. 4, 1968)	82	84
(S)	Contributions to employee benefits plans – Members of the Military	938,132	971,634
(S)	Contributions to employee benefits plans	278,456	303,664
	Total	**18,293,756**	**19,239,461**

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

* Due to rounding, figures may not add up to totals shown.

Notes: The Main Estimates of 2009-2010 are $945.7 million higher than the Main Estimates of 2008-2009. This increase can be explained by the following: $531 million for reprofiling previously approved budgetary resources; $322.7 million in funding for the Frigate life Extension Project; $256.4 million in additional funding for the *Canada First* Defence Strategy; $251.3 million in funding for the Medium Support Vehicle System Project; $246.3 million in funding for the Tactical Airlift Capability Project; $192 million to partially offset the loss of purchasing power due to price increases; $180.4 million in funding for increases to pay and allowances for the Canadian Forces; $100 million to address the shortfall in operating budgets (Sustainability); $80.6 million funding for Medium to Heavy Lift Helicopter Project; offset by a $454.9 million reduction in annual spending required for the Strategic Airlift Capability Project; $338.8 million reduction in funding for Afghanistan; $174.8 million reduction due to reprofiling from Fiscal Year 2007-2008 to Fiscal Year 2008-2009; $121 million reduction in funding for Main Battle Tanks acquisition project; $66.4 million reduction of the Department's share of the Expenditure Review Committee reallocations and cost efficiencies; and a $59 million reduction for other miscellaneous Departmental requirements.

Departmental Planned Spending and Full-Time Equivalents

($ Thousands)	Forecast Spending 2008-2009	Planned Spending 2009-2010	Planned Spending 2010-2011	Planned Spending 2011-2012
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces	13,608,994	14,339,596	14,396,993	14,408,306
Conduct Operations	2,460,906	2,692,101	2,730,174	2,723,092
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values	1,341,161	1,200,433	1,001,779	1,004,380
Internal Services	1,284,281	1,423,434	1,433,694	1,423,869
Budgetary Main Estimates (gross)	**18,695,342**	**19,655,564**	**19,562,640**	**19,559,647**
Less: Respendable revenue	(401,586)	(416,103)	(405,833)	(392,740)
Total Main Estimates	**18,293,756**	**19,239,461**	**19,156,808**	**19,166,906**
Adjustments:				
To 2008-09 through National Defence's Supplementary Estimates				
Funding advanced for the major capital equipment project ensuring tactical airlift capability	557,343			
Funding for Canada's military mission in Afghanistan	331,062			
Funding for the land duty allowance	120,000			
Increase to pay and allowances for Canadian Forces Members	90,400			
Funding for the implementation phase of the Halifax Class frigate modernization and life extension project	54,609			
Funding for Communications Security Establishment investments in technology infrastructure and to sustain essential operational capacities	22,418			
Funding related to government advertising programs (horizontal item)	10,000			
Funding for ex gratia payments to eligible applicants under the Atomic Veterans Recognition Program	9,763			
Funding for the establishment and expansion of the Canadian Police Research Centre	5,748			
Transfer from Canada Border Services Agency ($941), Royal Canadian Mounted Police ($680), and Transport Canada ($482) - For public security	2,103			

($ Thousands)	Forecast Spending 2008-2009	Planned Spending 2009-2010	Planned Spending 2010-2011	Planned Spending 2011-2012
initiatives related to the return of unused funding for Marine Security Operations Centres				
Transfer from Public Health Agency of Canada – For public security initiatives related to the return of unused funding for the Chemical, Biological, Radiological and Nuclear Research and Technology Initiative	865			
Transfer from Social Sciences and Humanities Research Council - To support the indirect costs of federally-funded research at the Royal Military College	800			
Reinvestment of royalties from intellectual property	669			
Transfer from Natural Sciences and Engineering Research Council of Canada ($280) and Social Sciences and Humanities Research Council ($53) - To support the Canada Research Chairs at the Royal Military College	333			
Funding to support the contribution program in support of the Remediation of the Former Mid-Canada Line Radar Sites in Ontario	317			
Transfer from Department of Foreign Affairs and International Trade - In support of the Minister's responsibilities for Regional Representations for Nova Scotia and Prince Edward Island	310			
Funding related to the assessment, management and remediation of federal contaminated sites (horizontal item)	286			
Funding for the establishment of a Great Lakes/St. Lawrence Seaway Marine Security Operations Centre to improve security capabilities in the region by identifying and addressing threats to national security (horizontal item)	173			
Transfer from Foreign Affairs and International Trade - To support the final phase of the delivery of generic job descriptions and the implementation of the new work descriptions across all departments by the Human Resources Council	106			
Transfer from Natural Sciences and Engineering Research Council - To support research at the Royal Military College through the University Faculty Awards Program	80			
Transfer from Natural Sciences and Engineering Research Council of Canada - To support the Industrial Research Chairs at the Royal Military College	78			
Transfer from Royal Canadian Mounted Police - For unused funds related to investments in search and rescue coordination initiatives across Canada	66			

($ Thousands)	Forecast Spending 2008-2009	**Planned Spending 2009-2010**	Planned Spending 2010-2011	Planned Spending 2011-2012
Funding to provide greater support to Crown agents across Canada	6			
Transfer to Indian Affairs and Northern Development – For the Northern Scientific Training Program	(25)			
Transfer to the Royal Canadian Mounted Police - For investments in search and rescue coordination initiatives across Canada	(88)			
Transfer to Indian and Northern Affairs Canada - For costs incurred in support of the Unexploded Explosive Ordnance and Legacy Sites Program	(138)			
Transfer to Department of Fisheries and Oceans - For investments in search and rescue coordination initiatives across Canada	(176)			
Transfer to Public Service Human Resources Management Agency of Canada - To support the National Manager's Community	(338)			
Transfer to Indian Affairs and Northern Development – To provide for First Nations management costs related to the clean up of Unexploded Explosive Ordnance contaminated sites.	(396)			
Transfer to Canadian Food Inspection Agency ($350) and to Canadian Security Intelligence Service ($80) - For public security initiatives related to the Chemical, Biological, Radiological and Nuclear Research and Technology Initiative	(430)			
Transfer to Environment ($507) and Fisheries and Oceans ($157) - For investments in search and rescue coordination initiatives across Canada	(664)			
Transfer to Foreign Affairs and International Trade – To provide support to departmental staff located at missions abroad	(672)			
Spending authorities available within the Vote and available from another Vote due to savings identified as part of the government's reduction of public opinion research expenditures and delays in Federal Contaminated Sites Action Plan projects	(776)			
Transfer to Office of the Communications Security Establishment Commissioner - In support of the Office of the Communications Security Establishment Commissioner	(1,365)			
Transfer to Public Health Agency of Canada ($1,665) and Environment ($180) - For public security initiatives	(1,845)			

($ Thousands)	Forecast Spending 2008-2009	Planned Spending 2009-2010	Planned Spending 2010-2011	Planned Spending 2011-2012
Spending authorities available within the Vote and available from another Vote due to the cancellation of the Maritime Information Management Data Exchange	(2,800)			
Transfer to Royal Canadian Mounted Police ($1,641), Health ($1,008), Public Health Agency of Canada ($460), Environment ($315), Natural Resources ($196), Canadian Security Intelligence Service ($151) and Fisheries and Oceans ($15) – For public security initiatives related to the Chemical, Biological, Radiological and Nuclear Research Technology Initiative	(3,786)			
Transfer to National Research Council of Canada – For the transfer of 36 hectares of land in Ottawa	(6,907)			
Spending authorities available within the Vote due to the delays in certain major capital projects	(63,721)			
Spending authorities available within the Vote due to reduced requirements related to project delays of the Medium-To-Heavy-Lift Helicopter Project	(138,606)			
To 2008-2009 Through Adjustments Other Than National Defence's Supplementary Estimates				
Operating Budget Carry Forward - TB Vote 25	200,000			
Employee Benefit Plan (EBP)	56,258			
Funding for Eligible Paylist Expenditures - TB Vote 30	27,482			
Civilian Pay Raises - TB Vote 15	22,190			
Frozen Allotment	(441,351)			
To Planned Spending Levels				
Incremental Funding for the Afghanistan Mission (3.a)		822,000	943,000	178,000
Reprofiling - Strategic Capital Investments (3.j)		141,706	228,517	(53,834)
Federal Contaminated Sites Action Plan (FCSAP) 2008-2009 (3.b)		23,403	-	-
Contribution Program in Support of the Remediation of the Former Mid Canada Line Radar Sites in Ontario (3.c)		8,931	6,595	5,571
Employee Benefits Plan (EBP)		6,134	672	477
Canadian Forces Compensation Policies (3.c)		934	934	934

($ Thousands)	Forecast Spending 2008-2009	**Planned Spending 2009-2010**	Planned Spending 2010-2011	Planned Spending 2011-2012
Public Opinion Research (3.d)		(454)	(454)	(454)
Transfer to Department of Fisheries and Oceans - For investments in search and rescue coordination initiatives across Canada (3.e)		(474)	(235)	-
Funds returned for reallocation (3.e)		(2,504)	(1,193)	-
Budget 2005, 2006, 2007 & 2008 Announcements			-	-
2010 Winter Olympics and Paralympic Games (3.b)		205,020	-	-
Partial compensation for the loss of purchasing power due to price increases (3.h) (4)		-	-	85,000
Enhancing Public Safety through Science and Technology Cooperation: The public Security Technical Program (PSTP) (3.i)		-	3,087	3,087
Strategic Capital Investments				
Main battle tanks (3.f)		165,000	128,000	68,000
Relocation of Joint Task Force 2 (3.f)		147,147	141,449	26,737
Medium Support Vehicle System (3.g)		140,796	(180,117)	(63,973)
Arctic/Offshore Patrol Ships (3.f)		95,900	164,500	280,800
Total Adjustments	849,381	1,753,540	1,434,756	530,345
Total Forecast/Planned Spending	**19,143,137**	**20,993,001**	**20,591,564**	**19,697,252**
Less: Non-Respendable revenue	30,591	20,539	31,639	16,231
Plus: Cost of services received without charge	703,275	728,484	744,593	750,934
Total Departmental Spending	**19,815,821**	**21,700,946**	**21,304,517**	**20,431,954**
Full-Time Equivalents		**97,517**	**99,697**	**TBD[5]**

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Notes:

1. Due to rounding, figures may not add up to totals shown.

2. The "Forecast Spending 2008-2009" column includes items brought forward, but not yet approved in fiscal year 2008-2009 Supplementary Estimates (B) and (C) at the time this document was prepared.
3. Expected approval of items in the adjustments to Planned Spending Levels:
   a. Spending authorities will be sought through fiscal year 2009-2010 Supplementary Estimates (B). For fiscal year 2010-2011 and beyond, spending authorities will be adjusted through the fiscal year 2010-2011 Annual Reference Level Update.
   b. Spending authorities will be sought through fiscal year 2009-2010 Supplementary Estimates (A).
   c. Spending authorities will be sought through fiscal year 2009-2010 Supplementary Estimates (A). For fiscal year 2010-2011 and beyond, spending authorities will be provided through the fiscal year 2010-2011 Annual Reference Level Update.
   d. Spending authorities will be reduced through fiscal year 2009-2010 Supplementary Estimates (A). For fiscal year 2010-2011 and beyond, spending authorities will be reduced through the fiscal year 2010-2011 Annual Reference Level Update.
   e. Spending authorities will be reduced through fiscal year 2009-2010 Supplementary Estimates (A). For fiscal year 2010-2011, spending authorities will be reduced through the fiscal year 2010-2011 Annual Reference Level Update.
   f. Spending authorities will be sought to ensure continuous funding for the implementation phase of the project starting in fiscal year 2009-2010.
   g. Spending authorities will be sought through fiscal year 2009-2010 Supplementary Estimates (A). For fiscal year 2010-2011 and beyond, spending authorities will be reduced through the fiscal year 2010-2011 Annual Reference Level Update.
   h. For fiscal year 2011-2012, spending authorities will be provided through the fiscal year 2010-2011 Annual Reference Level Update.
   i. Renewal of the program will be sought to ensure continuous funding starting in fiscal year 2010-2011.
   j. Spending authorities will be sought through fiscal year 2009-2010 Supplementary Estimates (A). For fiscal year 2010-2011 and beyond, spending authorities will be adjusted through the fiscal year 2010-2011 Annual Reference Level Update.
4. This figure represents the additional 0.5% in funding DND will receive to compensate for loss in purchasing power due to price increases as announced in Budget 2008.
5. Current fiscal framework limits Regular Force expansion up to 68,000 by fiscal year fiscal year 2011-2012. Class C allocation for fiscal year 2011-2012 is to be determined. Please see "Human Resources", page 16.

Human Resources

The table below provides a summary of the total planned human resources for Defence for the next three fiscal years.

Full-Time Equivalents (FTEs)	Fiscal Year 2009–2010[1]	Fiscal Year 2010–2011	Fiscal Year 2011–2012
Regular Force[2]	66,992	67,742	68,000
Class C[3]	2,100	1,600	TBD[4]
Total Military FTEs[5]	69,092	69,342	68,000
Civilian[7]	28,825[6]	30,355[6]	30,411[6]
Total	**97,917**	**99,697**	**TBD[4]**
Primary Reserve *paid* strength (All Classes)[8]	26,100	26,100	27,000
Primary Reserve *total* strength (All Classes)[9]	35,500	35,500	TBD[4]
Cadet Instructor Cadre	7,500	7,500	7,500
CA Rangers[10]	4,600	4,800	5,000

Source: Vice-Chief of the Defence Staff Group

Notes:

1. Planned FTE counts are based on planned establishment numbers.
2. This number reflects Regular Force Planned Total Strength. Current fiscal framework limits Regular Force expansion up to 68,000 by fiscal year 2011-2012. This strategic limit does not include personnel seconded to other government departments (OGD) and Project Management Personnel Resources (PMPR) paid under Vote 5 projects.
3. Class C members currently augmenting operationally deployed forces for Task Force Afghanistan (TFA). Class C figures are being reported separately to maintain the visibility of reservists employed in support of deployed/contingency operations, including support to the 2010 Winter Olympics.
4. Class C allocation for fiscal year 2011-2012 is to be determined.
5. Canadian Ranger expansion to 5,000 by fiscal year 2011-2012. Military Full-Time Equivalent statistics include Class C.
6. Long-term sustainment of the civilian workforce has been established at the Salary Wage Envelope (SWE) equivalent of 25,000 FTEs. Some programmes and initiatives, such as the apprenticeship programme and the requirement for a short-term surge in project management personnel and support to deployed operations, will continue to bring civilian numbers over the *Canada First* Defence Strategy 25,000 FTE SWE equivalent limit. Notwithstanding, it is forecasted that the Department will be challenged to recruit and retain sufficient talented workers as the number of individuals eligible for retirement increases in years to come. The Department is currently developing investment opportunity options to continue to hire above the 25,000 FTE for the next five years as a temporary measure to ensure the workforce is sustained at the maximum possible level in the longer-term.
7. Civilian FTE statistics include Communication Security Establishment Canada (CSEC), the Office of the Ombudsman (OMB) and National Search and Rescue Secretariat (NSS). For additional details, refer to Section IV: Selected Human and Financial Resources Tables 2, 4 and 6 respectively.
8. Primary Reserve average monthly Paid Strength reporting, planning and allocations are based on monthly reports provided by Assistant Deputy Minister (Finance and Corporate Services)/Director Strategic Finance Costing and Assistant Deputy Minister (Information Management)/Director Human Resource Information Management (DHRIM). *Canada First* Defence Strategy calls for Reserve Force expansion to 27,000 (Average Paid Strength) by fiscal year 2011-2012.
9. Primary Reserve Total Strength reporting, planning and allocations are based on monthly reports provided by ADM(IM)/DHRIM. Primary Reserve Total strength figure is a forecasted end-year snapshot.
10. Canadian Ranger expansion to 5,000 by fiscal year 2011-2012.

Planning Summary Table

Strategic Outcome 1: Canadians' confidence that DND/CF have relevant and credible capacity to meet defence and security commitments.	
Performance Indicator	**Targets**
Net Growth: Actual versus planned growth of CF.	Increase in Regular Force by 1,492.
Civilian Workforce Size: Planned civilian FTEs versus actual.	Refer to Human Resources Table, Note 6 on page 16.

Program Activity[1 and 3]	Forecast Spending 2008-2009	Planned Spending (net revenue in $ thousands)			Alignment to Government of Canada Outcomes[2]
		2009-2010	2010-2011	2011-2012	
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces	**Departmental Spending** ($ thousands)				Safe and secure communities A strong and mutually beneficial North American partnership
	13,821,076	14,865,806	14,712,953	14,549,021	
	Capital Spending ($ thousands - included in Departmental spending)				
	2,933,445	4,395,690	4,174,067	3,997,298	

Strategic Outcome 2: Success in assigned missions in contributing to domestic and international peace, security and stability.	
Performance Indicator	**Targets**
Relative number of people deployed on operational missions in the past year	No target yet established
Average response time for Search and Rescue (SAR) requests	30 minutes for working hours and 120 minutes for weekends/evenings

Program Activity[1 and 3]	Forecast Spending 2008-2009	Planned Spending (net revenue in $ thousands)			Alignment to Government of Canada Outcomes[2]
		2009-2010	2010-2011	2011-2012	
Conduct Operations	**Departmental Spending** ($ thousands)				Safe and secure communities A safe and secure world through international cooperation A strong and mutually beneficial North American partnership
	2,872,874	3,702,818	3,651,741	2,897,446	
	Capital Spending ($ thousands - included in Departmental spending)				
	307,660	445,223	467,553	460,431	

Strategic Outcome 3: Good governance, Canadian identity and influence in a global community.	
Performance Indicator	**Targets**
CF Cadets : number of youth involved with the Cadet Program	No target established; trend analysis being developed
Number of military personnel who have participated in Military Training Assistance Program (MTAP) activities over past twelve months	No target established

Program Activity[1 and 3]	Forecast Spending 2008-2009	Planned Spending (net revenue in $ thousands) 2009-2010	2010-2011	2011-2012	Alignment to Government of Canada Outcomes[2]
Contribute to Canadian government, society and international community in accordance with Canadian interests and values.	**Departmental Spending** ($ thousands)				An innovative and knowledge-based economy A vibrant Canadian culture and heritage A safe and secure world through international cooperation A strong and mutually beneficial North American partnership
	1,144,727	1,037,130	828,581	849,605	
	Capital Spending ($ thousands - included in Departmental spending)				
	46,286	26,190	31,004	33,564	

Notes:

1. For program activity descriptions, please access the Main Estimates online at http://www.tbs-sct.gc.ca/est-pre/20082009/me-bd/pub/ME-334_e.asp.
2. While Defence actively contributes to all Government of Canada Outcomes, areas where Defence makes a primary contribution are noted. A summary of the linkages between Defence Program Activities and Government of Canada Outcome Areas is available at Appendix J.
3. Departmental and Capital Planned Spending by PAA by Sub-activity can be found in Section III: Supplementary Information – Table 14.

Internal Services

Internal Services - Total Spending Net of Revenues				
Resources	**Forecast Spending 2008-2009**	**Planned Spending 2009-2010**	**Planned Spending 2010-2011**	**Planned Spending 2011-2012**
Departmental Spending ($ thousands)	1,304,460	1,387,247	1,398,289	1,401,180
Capital Spending ($ thousands) (included in Departmental Spending)	126,521	103,563	109,287	110,078

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Internal Services, within the current PAA construct, supports the three Strategic Outcomes as identified in the tables above.

Contribution of Priorities to Strategic Outcomes

Operational Priorities	Type[1]	Links to Strategic Outcomes	Description
Operational and Mission Success in Afghanistan – Operation ATHENA, Canada's commitment to the NATO-led International Security Assistance Force (ISAF) in Afghanistan	**PREVIOUSLY COMMITTED TO**	Strategic Outcomes: Canadians' confidence that the Department of National Defence and the Canadian Forces have relevant and credible capacity to meet defence and security commitments. Program Activities: Generate and Sustain Integrated Forces, Conduct Operations.	**Why is this a priority?** - support government objectives efforts - will continue to focus on training of the Afghan National Army, the provision of increased security for reconstruction and development efforts in Kandahar **Plans for meeting the priority** -approximately 2,800 personnel employed in an Infantry Battle Group, Provincial Reconstruction Team, Operational Mentor Liaison Teams, National Support Element, Theatre Support Element, and a Headquarters.
Support the 2010 Winter Olympics – Operation PODIUM	**NEW** CF planned major domestic operational focus will be support to the Royal Canadian Mounted Police.	Strategic Outcomes: Canadians' confidence that the Department of National Defence and the Canadian Forces have relevant and credible capacity to meet defence and security commitments. Program Activities: Generate and Sustain Integrated Forces, Conduct Operations	**Why is this a priority?** -under the leadership of the RCMP, the CF will be a major partner for Games security and will provide numerous unique capabilities. **Plans for meeting the priority** - CF will be providing military capabilities in a variety of areas including operational and exercise planning and research; infrastructure and logistical air support, air, land and maritime surveillance; support to chemical, biological radiological and-or nuclear incidents; intelligence; explosives disposal and other technical expertise.

Management Priorities	Type[1]	Links to Strategic Outcomes	Description
Building Excellence in Defence Management	**ONGOING** Further align key management processes throughout the DND/CF. Additional information is available under Internal Services/Building Excellence in Defence Management.	Strategic Outcome: Good Governance, Canadian Identity and Influence in a Global Community Program Activity: Contribute to Canada and the International Community	**Why is this a priority?** - In accordance with the Management Accountability Framework continuous improvement of management excellence across the Public Service. **Plans for meeting the priority** - Further align governance, resource allocation and reporting processes including leadership accountabilities. - Continue to implement the MRRS. - Consolidate IM/IT. - Strengthen core Control Framework in support of audited financial statements. - Address Web of Rules.

Source: Vice-Chief of the Defence Staff Group and Strategic Joint Staff Group
Legend: Previously committed to: committed to in the first or second fiscal year prior to the subject year of the report; **Ongoing**: committed to at least three fiscal years prior to the subject year of the report; **New**: newly committed to in the reporting year of the RPP.

SECTION II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome: Canadians' confidence that the Department of National Defence and the Canadian Forces have relevant and credible capacity to meet defence and security commitments.

Section II A – Program Activity: Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces

Introduction

The capacity to ensure a stable force for sovereignty and security will be reflected in the ability to strike the balance between routine and major operations such as the 2010 Winter Olympics, our ongoing role in Afghanistan and responding to crises both at home and abroad.

Program Activity Table

Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces						
Human Resources (FTEs) and Planned Spending ($ millions)						
	2009-2010		2010-2011		2011-2012	
	FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
Military	55,618		55,716		54,318	
Civilian	26,030		27,447		27,503	
Total	81,648	14,865,806	83,163	14,712,953	81,821	14,549,021

Program Activity Expected Results	Performance Indicators	Targets
• Maintain operational units; • Maintain deployable operational units; • Recruit and train personnel; • Provide nationally based fixed support including infrastructure, supply, fixed command, force development, and research and development; and • Acquire Capital Equipment.	Net Growth: actual versus planned growth of CF	Increase in Regular Force by 1,492
	Civilian Workforce Size: Planned civilian FTEs versus actual	Refer to Human Resources Table, Note 6 on page 16.

Sources: Vice-Chief of the Defence Staff Group / Chief Military Personnel / Assistant Deputy Minister Human Resources (Civilian) Group / Assistant Deputy Minister (Finance and Corporate Services) Group

Notes:

1. Military FTEs represent Vote 1 and Vote 5 Regular Forces and Class "C" Primary Reserve Forces. Class C accounts for approximately 2,100 in fiscal year 2009-2010 and 1,600 in fiscal year 2010-2011. There is no Class C allocation forecasted past February 2011.

2. Military FTEs are derived from a representative financial formula, as there is not a consistent 1:1 relationship between FTEs and program activities.
3. Military FTEs include military members attributed to Internal Services: 1,268 in fiscal year 2009-2010, 1,282 in fiscal year 2010-2011, and 1,287 in fiscal year 2011-2012.
4. Civilian workforce is planned through a Salary Wage Envelope (SWE); therefore, FTE figures represent an equivalent dollar value.
5. Civilian workforce planned FTEs include forecasted growth projections and are subject to final budgetary approval.
6. Civilian FTEs include personnel attributed to Internal Services.
7. Civilian FTEs include Communications Security Establishment Canada (CSEC), National Search and Rescue Secretariat (NSS), or the Office of the Ombudsman (OMB).
8. Reprioritization of operational and/or management initiatives within the fiscal year may result in the reallocation of personnel to other program activities, as required.

Planned Capital Acquisition

Defence will continue to work, both internally and with partner departments, to implement the CFDS by streamlining procurement and ensuring the contracting process remains open and fair, while rebuilding the capacity to deliver a growing program of investment in defence capabilities for Canadians. A number of reforms have already been instituted that target a reduced acquisition cycle time, while striking the appropriate balance between cost, risk and the requirement. These reforms have included:

- Using military/commercial off-the-shelf solutions wherever possible;
- Minimizing technical specifications;
- Realigning scarce resources into two major project divisions to oversee key transformation projects. These divisions act as centres of expertise providing focused, highly skilled personnel that are capable of managing complex acquisitions;
- Using high-level, performance driven military specifications whenever possible;
- Assessing proposals based upon best value versus lowest cost;
- Establishing long-term, domestic-based, in-service support contracts in conjunction with system acquisitions, with a single entity being accountable for system performance and availability; and,
- Considering past vendor performance in the evaluation process.

To achieve government policy objectives, the CF will require a broad range of capabilities to ensure the sovereignty and security of our country and the protection of all Canadians. The CF has to be fully integrated, flexible, multi-role and combat capable.

The CF core combat capabilities requirement represents $45 - $50 B in capital acquisitions over a twenty-year period which will be directed to the projects listed below and represents an unprecedented investment in Canada's industry, knowledge and technology sectors. Significant progress has already been realized through a number of key initiatives, particularly in the procurement of urgently needed equipment. In addition to the acquisition of C-17 Globemaster strategic lift aircraft already in service, the Government is procuring C-130J Hercules tactical lift aircraft and has announced possible plans to acquire a Medium- to Heavy-Lift Helicopter (MHLH) capability, replenishment ships, a fleet of medium logistics trucks, Leopard 2 tanks and Arctic/Offshore Patrol Ships.

In accordance with the CFDS, the planned acquisitions highlighted below will provide a solid foundation for the renewal of the CF's core equipment platforms. The CF will thus be enabled to conduct operations more effectively and safely, both at home and abroad. Planned acquisitions include:

- Destroyers and Frigates replacement;
- Fixed Wing Search and Rescue Aircraft;
- Next-Generation Fighter Aircraft;
- Maritime Patrol Aircraft; and
- Land Combat Vehicles and Systems.

For details on planned cash expenditures and accrual expenses for major projects, please see Section III: Supplementary Information – Table 13.

Readiness

Readiness consists of two components; first, operational capability, which is the actual capability to perform the mission for which it is developed and funded; and second, response time. Readiness will guide the management of the CF to ensure we are able to deploy more quickly and effectively while defence planning continues to evolve with the implementation of the *Canada First* Defence Strategy. This approach will ensure our ability to fulfill our mandate, other strategic objectives and orders, and the Department's business planning process which underlies all Defence planning.

Implementing the CFDS will further enhance the readiness of the CF. Planned, rather than ad-hoc, investments will improve, and additional funding will ensure that personnel are trained to required levels and that more equipment is available for both training and operations.

Sustainment

Sustainment is the capacity of a military force to maintain its capabilities during operations at home and abroad in the short-term while continuing to develop and introduce new capabilities for continued success over the long-term. From a short-term perspective, recent funding increases to sustainment-focused activities have significantly helped to return equipment to a more acceptable level of readiness. Using a longer-term perspective, it can take years to conceive and acquire new major equipment; from encompassing the human capital and skills needed to employ the equipment to the development of training systems and doctrine to put it in operation.

Growth and Renewal

Current strength levels are approximately 65,000 Regular Force and 26,000 Reserve Force personnel (average paid strength). As part of the CFDS, Defence will expand the size of the CF to 70,000 Regular Force and 30,000 average paid strength Reserve Force personnel.

CF Expansion will allow the military to strengthen key joint and enabling capabilities, through increased strength of medical personnel, maintenance technicians, surveillance, reconnaissance and intelligence specialists, and special operational forces. As depicted in

the graphs below, the Department plans to achieve this growth by fiscal year 2027-2028. The estimated Regular Force expansion for fiscal year 2009-2010 is 67,742 at an estimated cost of $340.5 M. This funding includes salaries and the operating costs associated with personnel growth.

Progress of Regular Force expansion in fiscal year 2009-2010 will be measured by comparing March 2010 personnel strength to that of March 2009. It is significant to note that the rate of growth depicted below cannot be assured, as strategies to address recruiting and retention challenges are not yet mature enough to guarantee success. In the interim, given future uncertainties, it is assessed that the expectations for growth should be prudent. Ultimately, the priority for Defence will be to sustain current human resources capabilities and then grow to meet military expansion targets established in the CFDS.

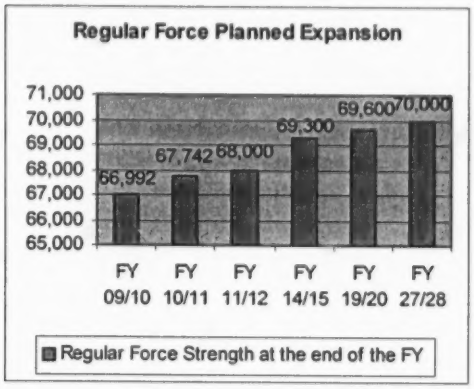


Figure 1: Regular Force Expansion Growth Profile

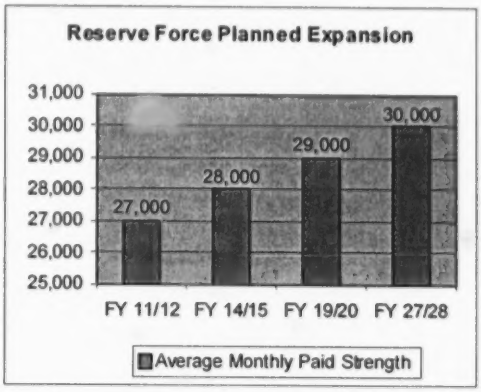


Figure 2: Reserve Force Expansion (Paid Strength) Growth Profile

A review of the Defence force structure is expected to be initiated in 2009. One goal of that review will be to better balance the personnel envelope within the defence programme to meet CFDS capability goals.

Canadian Ranger Expansion: In addition to expansion of the Primary Reserve, planning is underway to increase the Canadian Ranger strength to 5,000 by fiscal year 2011-2012.

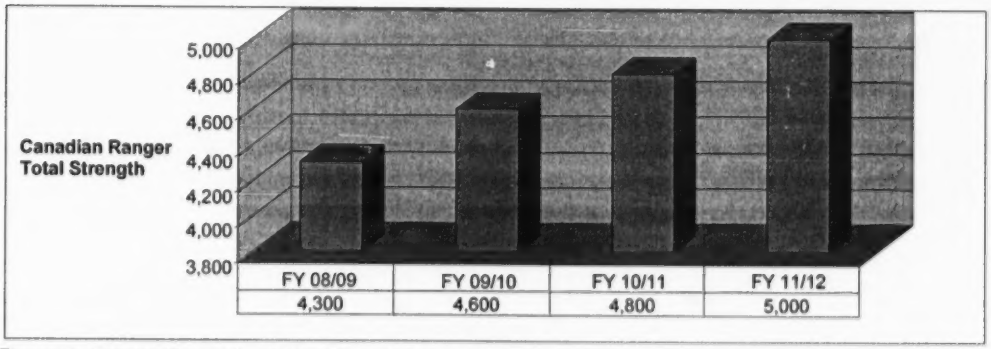


Figure 3: Ranger Expansion (Total Strength) Growth Profile

Military Personnel Recruitment

Recruiting the best to reflect Canada's diversity is a difficult challenge. CF recruiters compete in an increasingly global labour market characterised by a declining pool of young Canadians and a growing demand for technicians and professionals. The recruitment of CF technical occupations, ranging from Naval Electronic Technician to Land Communications Information System Technician, is proving to be particularly challenging.

To successfully meet fiscal year 2009-2010 recruiting targets, therefore, requires not only achieving overall CF recruiting targets, but also meeting annual recruiting targets for each occupation and particularly those that are critically under strength. To do so, recruiting activities will focus on increasing Canadians' awareness of CF employment opportunities including occupations of critical concern. Those activities will include:

- marketing that promotes the attractiveness of CF technical occupations;
- recruiters proactively canvassing communities in order to generate leads and prospects;
- establishing a National Recruiting Centre to attract prospective applicants beyond the traditional provincial boundaries;
- developing a Mobile Recruiting strategy that will expand community-based recruitment; and
- increasing the applicant pool by extending employment opportunities to Permanent Residents of Canada. To not lose potential applicants, recruiters will be able to make immediate conditional offers of employment for priority occupations at the outset of the recruitment process, pending confirmation that all CF enrolment requirements have been met.

Additional information on CF Recruiting and employment opportunities is available at www.forces.gc.ca.

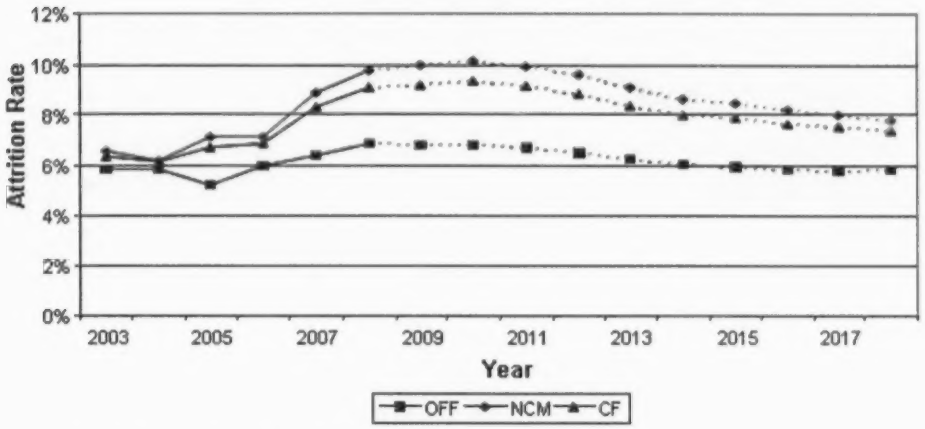
Military Retention Initiatives and Strategy

Increased military operational tempo, CF transformation and recruiting and training challenges are placing significant stress on CF trained personnel. In addition to the foregoing challenges, the CF has experienced higher than expected attrition over the past few years and, as depicted in the following graph, higher than normal attrition is projected to continue for the next few years. Given the current economic slowdown, the attrition estimated for the next two years will be reviewed. Most people who leave the CF do so voluntarily and not due to medical release or reaching compulsory retirement age. Studies indicate that voluntary attrition occurs at two points; first, before the end of the first year of service, and second, when personnel are eligible for a pension. Research indicates that the main reasons for personnel leaving the CF during the first few years of service include physical fitness, personal and family issues, a poor fit with the chosen occupation upon enrolment, or with military life. Regarding longer term attrition, the CF is experiencing a "bubble" of baby boomers who will become entitled to retirement benefits. This has created a spike in releases at approximately 20 years of service.

Under a detailed and far-ranging retention strategy, the CF is examining ways of promoting a "retention culture" throughout the entire organization. This will ensure that

new recruits enter the CF with more realistic early-career expectations, experience a smooth transition into the military lifestyle during basic training and address physical fitness training requirements. For personnel with more years of service, the strategy will examine means of improving career-life balance, personnel career management and support to military families as well as other quality of life issues.

Historical and Forecast Attrition Rates, CF RegF



Care of the Injured and Family Support

The Afghanistan experience has underscored the responsibility that the Department and the CF have to military personnel, supported by civilian members of the Defence Team, as well as their families. This responsibility covers the period leading up to, during, and after, operational deployments. Families are recognized as being the 'Strength behind the Uniform' and it is acknowledged that the welfare of the family is a critical component in a military member's readiness to deploy. Knowing their families are cared for while they are away, and that care will continue upon their return, should it be required, provides military personnel the peace of mind they need to focus on the mission at hand.

Among our many ongoing efforts, we are exploring initiatives to advance existing care for the injured and family support deficiencies. This includes ways to provide standardized, consistent care, service and support to military personnel during the period of reintegration into military or civilian life and employment.

Additional information on military family resource services can be found on the CF Family Resource website at http://www.forces.gc.ca/site/fam/index-eng.asp.

Reserve Force

The Primary Reserve Component of the CF will also expand by some 4,000 personnel during this period of growth and renewal. The Reserve Force provides a significant contribution to the deployed forces averaging 20 percent of each rotation into Afghanistan. Here at home, Reservists will form the core elements in any domestic contingency operation. An integrated military relies upon Reservists to augment and

contribute to all operations, including Afghanistan, the 2010 Winter Olympics and Arctic Sovereignty.

Civilian Human Resource and Public Service Renewal

To support Public Service Renewal, we will continue to align our business and human resources needs, improve our human resource business processes and practices, increase the effectiveness and efficiency with which staffing services are delivered and strengthen our retention programs. We have put in place a multi-year action plan designed to achieve a 20 percent reduction to the overall staffing burden. We recently introduced new technology to improve monitoring and workload management. This new tool will help measure progress on our major Public Service Renewal improvement initiative, namely *Reducing the Departmental Staffing Burden by 20%.*

Civilian Recruitment

Efforts will continue on our aggressive recruitment campaign to attract and hire new employees with special attention to our identified shortage areas: purchasing, computer science, financial management, ship repair, ships officers and general labour and trades. Recruitment strategies and departmental investments will continue to be aligned for each of these areas and increased emphasis placed on training, leadership development and second language training. The new Apprentice and Operational Development Program, along with the Financial Officer Recruitment Development and Policy Intern Recruitment Programs, for example, are key to providing Defence with needed capabilities, as well as ensuring that Defence can renew its workforce over time. Having a solid talent pool to draw from, both for new recruits and experienced personnel, is another factor that will contribute to the overall success of our efforts to reduce the staffing burden.

Civilian Employee Development

Defence's workforce is geographically dispersed across Canada with over half reporting directly or indirectly to CF members. Defence is committed to providing all employees with the training and tools they need to do their jobs and to support them with career-long learning and development opportunities. As we move forward to our goal of personal learning plans for 100 percent of employees, we will continue to strengthen our new and dynamic mentoring program and place a greater emphasis on knowledge transfer and succession management.

Strategic Outcome: Success in assigned missions in contributing to domestic and international peace, security and stability

Section IIB – Program Activity: Conduct Operations

Program Activity Table

Conduct Operations						
Human Resources (FTEs) and Planned Spending ($ millions)						
	2009-2010		2010-2011		2011-2012	
	FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
Military	10,736		10,857		10,900	
Civilian	2,776		2,941		2,997	
Total	13,512	3,702,818	13,798	3,651,741	13,897	2,897,446

Program Activity Expected Results	Performance Indicators	Targets
• Maintain and conduct intelligence, surveillance and reconnaissance (ISR) operations; • Maintain ISR support; • Employ forces to conduct contingency operations in response to domestic, continental, and international requirements; • Employ High-Readiness forces to conduct operations in response to domestic, continental, and international requirements; and • Provide ongoing specified services in accordance with Government of Canada and other government department agreements and demand from other levels of government.	Relative number of people deployed on operational missions in the past year	No target yet established
	Average response time for Search and Rescue (SAR) requests	30 minutes for working hours and 120 minutes for weekends/evenings

Sources: Vice-Chief of the Defence Staff Group / Chief Military Personnel / Assistant Deputy Minister Human Resources (Civilian) Group / Assistant Deputy Minister (Finance and Corporate Services) Group

Notes:

1. Military FTEs represent Vote 1 and Vote 5 Regular Forces and do not include Class "C" Primary Reserve Forces.
2. Military FTEs include personnel deployed in domestic, continental and international operations and non-deployed personnel engaged in support roles to operations.
3. Military FTEs are derived from a representative financial formula, as there is not a consistent 1:1 relationship between FTEs and program activities.
4. Surges in operations within the fiscal year (e.g. rotations) will create fluctuations in the number of personnel involved in the conduct of operations. FTEs represent an estimated personnel average attributed to this program activity during the fiscal year.
5. The planned FTE figures assume that the Government will send the Canadian Forces on operations elsewhere in the world at a level comparable to the current operational level.
6. Civilian workforce is planned through a Salary Wage Envelope (SWE); therefore, FTE figures represent an equivalent dollar value.

7. Civilian workforce planned FTEs include forecasted growth projections and are subject to final budgetary approval.
8. Civilian FTEs include personnel attributed to Internal Services.
9. Civilian FTEs include Communications Security Establishment Canada (CSEC), National Search and Rescue Secretariat (NSS), or the Office of the Ombudsman (OMB).
10. Reprioritization of operational and/or management initiatives within the fiscal year may result in the reallocation of personnel to other program activities, as required.

Introduction – Domestic and Continental Operations

The CF will continue to deliver excellence at home by providing surveillance of Canadian territory and air and maritime approaches, conducting sovereignty operations, maintaining search and rescue capabilities and working with civil authorities to respond to incidents ranging from natural disasters to terrorist attacks. To fulfill this aim, the CF will remain fully engaged with other government departments to ensure a whole-of-government approach in their planning efforts and participation in exercises and training events, as well as planning for contingency operations such as support to Canadian civil authorities in the event of a natural disaster.

On the continental front, Canada will remain a reliable partner in the defence of North America in co-operation with the United States. The CF will continue to work closely with its American counterparts through existing bilateral and bi-national institutions, such as NORAD. The CF will also continue to conduct training and exercises with the United States to ensure a high level of interoperability for the defence of North America.

Vancouver 2010

The CF's major domestic operational focus during the planning period will be to support the Royal Canadian Mounted Police for the security of the Vancouver 2010 Winter Olympic and Paralympic Games. The CF will also work closely with the RCMP to plan for the security aspects of the G8 Summit and the North American Leaders' Summit to be held later that same year.

Although security for the 2010 Winter Olympics will remain a national operation under the leadership of the RCMP, the CF will be a major partner for Games security and will provide unique capabilities. Those capabilities include operational and exercise planning and research, infrastructure and logistical air support, air, land and maritime surveillance, support to chemical, biological radiological and-or nuclear incidents, intelligence, and explosives disposal and other technical expertise.

Additionally, the CF will provide unique military capabilities when Canada hosts the 2010 G8 Summit in Huntsville, Ontario, and the North American Leaders' Summit. In preparation for these events, the CF will participate in a robust whole-of-government and bi-national integrated exercise and training program, which aims to improve the readiness of security partners and their ability to respond jointly to emergencies in the context of each of these activities.

Arctic Sovereignty

Arctic sovereignty and security is a key government priority that is being advanced. The implementation of the Northern Strategy is intended to meet those objectives in Canada's North. This ongoing project has four pillars: Strengthening Canada's Sovereignty,

Promoting Economic and Social Development, Protecting our Environmental Heritage and Improving and Devolving Governance. The CF have a key role to play in the Arctic which will contribute primarily to the first pillar of the Strategy by ensuring security and demonstrating sovereignty through surveillance and control operations, and establishing a higher profile presence.

To address the challenges related to increased activity in this vast region, the Government is making significant investments in the CF's capabilities for the Arctic. Over the coming years, Defence will continue to move forward on key projects, including the acquisition of Arctic-Offshore Patrol ships (expected to begin operations in 2013) and the establishment of a deep-water berthing and refueling facility in Nanisivik at the entrance to the Northwest Passage (planning to begin in fiscal year 2009-2010 and actual construction scheduled to commence in 2010). This new installation will allow the new patrol ships and Canadian Coast Guard vessels to maintain a federal presence throughout the navigable season. A multi-purpose Arctic Training Centre in Resolute Bay will continue to offer courses which will augment the CF's expertise in Northern operations and enhance their ability to operate in the high Arctic. Furthermore, the expansion and modernization of the Canadian Rangers will provide a stronger, more effective military presence in remote regions of the North. Finally, Defence Research and Development Canada will pursue its Northern Watch technology demonstration project, which seeks to determine the best combination of sensors for comprehensive, cost-effective situational awareness in the Arctic.

Joint Task Force (North) continues to plan and conduct routine and contingency operations in Canada's North, including three annual exercises. These operations will involve multiple whole-of-government partners such as the RCMP, the Canadian Coast Guard, Public Safety and the territorial governments.

When operating in the Arctic, the CF will continue to ensure that operations conform to Canadian environmental regulations and remain committed to remediating past actions. The CF also stand ready to offer assistance should an environmental incident occur in the region.

International Operations

Recognizing the unpredictable nature of the future global security situation, the CF will continue to work with other government departments towards the goal of international peace, stability and security. A whole-of-government approach to operations involving Defence and, among others, the Department of Foreign Affairs and International Trade, the Canadian International Development Agency and Public Safety Canada, will be the keystone for the CF and its operations overseas.

Operation ATHENA, Canada's commitment to the NATO-led International Security Assistance Force (ISAF) in Afghanistan will continue to be the CF main overseas commitment and exemplifies our involvement in Canada's whole-of-government approach with other key departments. Focused in Kandahar Province, Joint Task Force Afghanistan (JTF-Afg) is comprised of approximately 2,800 personnel employed in an Infantry Battle Group, Provincial Reconstruction Team, Operational Mentor Liaison Teams, National Support Element, Theatre Support Element, and a Headquarters.

Canadian military personnel will also occupy staff positions in Combined Security Transition Command-Afghanistan (CSTC-A) and the ISAF Headquarters located in Kabul, and under Operation ACCIUS military advisors to the United Nations Assistance Mission in Afghanistan (UNAMA).

Significant efforts have resulted in the on-going fulfillment of key Manley Report recommendations; namely, the integration of an American Task Force under the Operational Control of JTF-Afg and the on-going deployment of enhanced aviation capabilities and enablers. Efforts will continue to focus on training of the Afghan National Army, the provision of increased security for reconstruction and development efforts in Kandahar, and continued responsibility for the Kandahar Provincial Reconstruction Team.

National Defence will continue to actively participate in the maintenance of international peace, stability and security by continuing its contributions to the United Nations (UN), the North Atlantic Treaty Organization (NATO) and the Organization for Security and Co-operation in Europe (OSCE). Furthermore, Defence will continue to support the Government's Americas Strategy by strengthening partnerships with key hemispheric nations and institutions, such as the Organization of American States.

The CF will continue to engage in the Multi-National Force and Observers mission in support of the implementation of security provisions of the Peace Treaty between Egypt and Israel as well as NATO missions and other missions as deemed appropriate by the Government. International obligations range from the Americas to Europe, Africa, the Middle East and Southwest Asia, with approximately 5,000 CF members deployed on a continuous basis.

As directed by the Government of Canada, the CF will conduct fully integrated global operations across the spectrum - from humanitarian assistance to combat - in concert with national and international partners to achieve timely and decisive strategic effects in support of Canada's national interests.

The combined effect of Afghanistan and the Winter Olympics are central to the Government's national and international objectives. From fall 2009 to fall 2011, the CF will ensure its priorities remain oriented to meet these tasks while managing the impact on CF personnel.

Strategic Outcome: Good Governance, Canadian Identity and Influence in a Global Community

Section IIC – Program Activity: Contribute to Canadian government, society and the international community in accordance with Canadian interests and values

Program Activity Table

Contribute to Canadian Government, Society and the International Community in Accordance with Canadian Interests and Values						
Human Resources (FTEs) and Planned Spending ($ millions)						
	2009-2010		2010-2011		2011-2012	
	FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
Military	2,738		2,769		2,782	
Civilian	3,381		3,539		3,595	
Total	6,119	1,037,130	6,308	828,581	6,377	849,605

Program Activity Expected Results	Performance Indicators	Targets
• Provide military advice to the Government of Canada; • Provide support to Government of Canada programs; • Contribute to Canadian economy and innovation; • Contribute to Canadian identity; • Contribute to youth and education; • Meet commitments to international organizations and exchange programs; and • Provide advisory and training support to other nations.	CF Cadets : number of youth involved with the Cadet Program	No target established; trend analysis being developed
	Number of military personnel who have participated in Military Training Assistance Program (MTAP) activities over past twelve months	No target established

Sources: Vice-Chief of the Defence Staff Group / Chief Military Personnel / Assistant Deputy Minister Human Resources (Civilian) Group / Assistant Deputy Minister (Finance and Corporate Services) Group

Notes:

1. Military FTEs represent Vote 1 and Vote 5 Regular Forces and do not include Class "C" Primary Reserve Forces.
2. Military FTEs are derived from a representative financial formula, as there is not a consistent 1:1 relationship between FTEs and program activities.
3. Civilian workforce is planned through a Salary Wage Envelope (SWE); therefore, FTE figures represent an equivalent dollar value.
4. Civilian workforce planned FTEs include forecasted growth projections and are subject to final budgetary approval.
5. Civilian FTEs include personnel attributed to Internal Services.

6. Civilian FTEs include Communications Security Establishment Canada (CSEC), National Search and Rescue Secretariat (NSS), or the Office of the Ombudsman (OMB).
7. Reprioritization of operational and/or management initiatives within the fiscal year may result in the reallocation of personnel to other program activities, as required.

Industrial Co-operation and Benefits

The Investment Plan (IP) details *Canada First* Defence Strategy's procurement priorities and the timing of capital projects over the 20-year period and will allow Canadian industry to better plan and position itself for future contract opportunities and make sound research and investment decisions.

The IP also allows government to engage with Canadian industry early in the procurement process in a more comprehensive way. Through dialogue, government can better assess what industry is able to provide, determine the potential for synergies with other projects and ascertain how Defence, and industry science and technology, can be aligned to better position Canadian suppliers for future procurements. This will enable Canadian industry to position itself for success while helping Defence build a stable force for sovereignty and security, renew relationships with research and development organizations across the country, and compete on the world stage.

Establishing the necessary conditions to achieve this linkage between defence expenditure and economic wealth generation is being pursued, in part through the development of a Defence Economic Framework. This framework will help us better achieve CFDS initiatives by enhancing cooperation in areas such as information sharing, and the cooperative management and exploitation of key technologies to enhance both Canadian business and Defence.

The CFDS provides Defence with an unprecedented opportunity to play a leadership role to better link Defence's investments with the economic objectives of Canada, while at the same time satisfying military capability requirements. This will benefit the Canadian economy through the development of world class Canadian technology and will also provide the Canadian military with state-of-the-art, sustainable capabilities.

NATO Programs

Canada, a founding member of NATO, is committed to contribute to its common-funded budgets; our participation is directly linked to Canadian foreign policy and support to operations and activities of the Alliance to promote security, defence and peace in the world. The NATO Military Budget covers the operation and maintenance costs of NATO Military headquarters and other Alliance facilities and capabilities, including operations in Afghanistan.

The NATO Security Investment Programme (NSIP) finances the provision of various installations, facilities and capabilities which are needed to support the roles of the NATO Strategic Commands recognized as exceeding the national defence requirements of individual member countries, as well as some facilities in support of NATO operations in Afghanistan. The NATO Airborne Early Warning and Control Force (NAEW&CF) provides the surveillance capability to allow NATO to detect and track enemy aircraft

operating at low altitudes over all terrain and for NATO forces to transmit data directly from the aircraft to command and control centres on land, sea or in the air.

The planned Canadian contribution to these three common-funded programmes in 2009-10 is $185.7 million. Canada actively participates in the decision-making of these programmes to improve control, accountability and effective delivery of capability.

Contribute to Youth – Cadets and Junior Rangers

Canadian Cadet Program – The Canadian Cadet Program is a federally sponsored national training program for youth between the ages of 12 and 18. Defence conducts the Program in collaboration with the Navy Cadet League, the Army Cadet League and the Air Cadet League. Approximately 54,000 young Canadians will benefit from cadet training at local units of which approximately 23,000 cadets will be selected to attend national activities such as biathlon or marksmanship or one of the 24 Cadet Summer Training Centres located across the country.

Junior Canadian Rangers – The Junior Canadian Rangers Program is for youth between the ages of 12 and 18 years of age in aboriginal communities and run in collaboration with local adult committees. The CF provides uniforms, training, financial and administrative support to the Cadet Program and Regular Force and Primary Reserve personnel assist in the delivery and evaluation during regular visits and field training exercises. Ranger patrols are located in 111 communities. The Program provides structured youth activities promoting traditional cultures and lifestyles in remote and isolated Canadian communities. Some 3,300 Junior Canadian Rangers will benefit from training in their local communities, of which 600 will participate in enhanced summer training sessions in 2009.

Strategic Outcome: Extraneous to PAA Strategic Outcomes Allocations contribute across all Defence Program Activities:

(Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces Conduct Operations, Contribute to Canadian government, society and the international community in accordance with Canadian interests and Values)

Section IID – Program Activity: Internal Services

Financial Resources
($Thousands)

	Fiscal Year 2009-2010	Fiscal Year 2010-2011	Fiscal Year 2011-2012
Departmental Spending	1,387,247	1,398,289	1,401,180
Capital Spending (included in Departmental Spending)	103,563	109,287	110,078

Source: Assistant Deputy Minister Finance and Corporate Services / Vice-Chief of the Defence Staff Group

* Due to rounding, figures may not add up to totals shown

Note:

1. This is the Department's second attempt at reporting planned spending figures by the sub-activity level of the Program Activity Architecture, therefore the numbers are subject to continued revision and refinement.

Human Resources

Internal Services, within the current Program Activity Architecture (PAA) construct, provides a place for the organizational entities, such as financial and information management responsibilities, which support and provide coherence to Defence's three Strategic Outcomes. In fiscal year 2009-2010, Defence is planning to implement an approved and updated PAA. Under that new PAA construct, Internal Services will be designated as a Program Activity. This will permit Defence to accurately identify human resource planning figures in future reports.

Program Activity Summary and Planning Highlights

The following groups of related activities support the Defence Internal Services program and corporate obligations. The groups included in this section are Management and Oversight Services, Financial Management Services, Information Management Services, Information Technology Services and Real Property Services.

Management and Oversight Services

Building Excellence in Defence Management

The government's chosen tool to institute management excellence within the public service is the Management Accountability Framework (MAF). Defence has embraced MAF as the definitive resource for continuous improvement throughout all levels of management. In addition, the MAF Assessment is a key source document for the

establishment of Defence Priorities for ensuing years. Based upon the recommendations from the MAF Round V Assessment, senior Defence leadership has established the following management-related priorities for fiscal year 2009-2010:

1. Implement the Defence Investment Plan;
2. Continue to implement the Management Resource and Reporting Structure (MRRS);
3. Consolidate the departmental approach to Information Management/Information Technology (IM/IT);
4. Continue to strengthen the core Control Framework and develop materiel, infrastructure, and information control frameworks in support of audited departmental financial statements; and
5. Undertake measures to address the "Web of Rules" within Defence.

Implement the Defence Investment Plan

The Investment Plan (IP) gives a view of the long-term investment perspective based on the *Canada First* Defence Strategy and on those elements of Canadian Forces modernization and transformation expected to be implemented over the next 10 years. The IP facilitates Defence implementation of the CFDS by helping to manage the long-term complexity of balancing resources across the four pillars that form the foundation of military capabilities – personnel, equipment, readiness and infrastructure. The IP provides detailed guidance on how and when to invest in these areas and in other important support capabilities.

The IP is a *living document* supported by a force development process that provides the rigorous analysis needed to inform key investment decisions. The force development process identifies CF-wide military capability goals, assesses present and future capability gaps, and prioritizes capability requirements for investment consideration. The IP integrates these considerations with other investment and funding requirements from across Defence into a single coherent plan that ensures the sequencing of investments corresponds to the capability need and the availability of funds. This not only minimizes the risk of capability gaps, but also ensures affordability and sustainability.

Continue to Implement the MRRS

Defence is presently developing a Performance Measurement Framework for the updated Program Activity Architecture. The intent is to create a single performance measurement system based on the Architecture activities that will be a foundation for the establishment of performance measures for the Investment Plan, Business Plans, Defence Strategy Map, and for displaying progress and accountability in reporting to Government. These measures are designed to inform senior management as to whether the intended effects are being achieved by demonstrating good governance, accountability, sound decision-making, and achieving the best value for investment.

Consolidate the Departmental Approach to IM/IT

The focus of activities in the realm of consolidating the approach to IM/IT aims to ensure that resources and activities are better aligned with departmental priorities and to attain the optimal use of resources through standardization, elimination of duplication through retiring legacy systems that are no longer necessary and to increase accessibility to

information and technologies required to meet the strategic and operational commitments of Defence. We will continue to actively participate with the Treasury Board Secretariat Policy Framework Update Process to streamline policies and directives, specifically relating to IM/IT and IT security frameworks.

Control Framework in Support of Audited Departmental Financial Statements

Implementing processes to ensure that the Department can sustain a controls reliant audit of financial statements is a priority for the Department. Details are provided under the section Financial Management Services.

Web of Rules

During the past year, DND undertook significant work (under the Government of Canada web of rules initiative) to identify and assess "ways and means" to move to a risk based approach for DND Program Management and departmental approvals. This important work will allow DND to simplify and reduce the administrative burden in low risk areas. It will help towards creating the necessary capacity for increased vigilance in areas of higher risk files and will provide the needed capacity for new Program requirements.

Governance

Although the current governance structure satisfies both Treasury Board Secretariat and departmental requirements, Defence has an ongoing commitment to continuously improve its ability to manage the institution. A fulsome review of the governance structure is therefore proposed to ensure transparency and understanding of the decision-making process, organizational flexibility and adaptability to rapidly changing requirements, and the effective and efficient use of personnel and resources.

Internal Audit

During fiscal year 2009-2010, the overall Defence internal audit function will focus on complying with the 2006 Treasury Board Policy on Internal Audit, which must be implemented across government by 1 April 2009. Key to compliance is the expansion of Defence's professional audit capacity. As such, the recruitment of additional audit personnel remains a priority. Individual audit engagements will continue to focus in the areas of highest risk within the realms of capital acquisition, security, materiel management, contracting and financial management.

The specific audit engagements planned for initiation in fiscal year 2009-2010 are presented in Section III: Supplementary Information – Table 4.

Evaluation

During fiscal year 2009-2010, Defence's evaluation function will focus on implementing the expected new Evaluation policy, and on providing support to the development of the revised Program Activity Architecture. A major consideration of both is a significant increase of effort whereby the evaluation function will commence a multi-year growth program. Individual evaluation engagements planned for fiscal year 2009-2010 will focus on CF both operational, and operational support issues.

The specific evaluation engagements planned for initiation in fiscal year 2009-2010 are presented in Section III: Supplementary Information – Table 5.

Financial Management Services

Enhance Financial Management

Financial Management Services contributes directly to informed and prudent consideration of resource issues in Departmental decision-making. Among the many challenges facing Defence, the following three stand out as priorities for fiscal year 2009-2010:

- Accrual Accounting/Accrual Budgeting;
- Audited Financial Statements; and
- Implement Chief Financial Officer (CFO) Model

These will receive particular attention and will have resources specifically dedicated to their accomplishment:

Accrual Accounting/Accrual Budgeting

Departmental appropriations are provided on the modified cash basis used for reporting and accountability to Parliament. In keeping with modified cash and accrual fiscal control and reporting, this report will present information on planned and actual spending for fiscal year 2009-2010 in Section III.

During the reporting period, the Department will continue the process of expanding the accrual budgeting to other sectors of the Defence budget beginning with the capital construction program. This expansion is the first step in the conversion of the Defence funding base to full accrual status.

Audited Financial Statements

Defence will continue the process of confirming that the control frameworks for the business processes that feed its financial system are well documented, complete and repeatable and that some means of confirming compliance throughout the Department has been implemented. The ultimate objective of this activity is to position the Department to sustain an initial controls-reliant audit of its financial statements by the Office of the Auditor General as early as fiscal year 2012-2013.

Implement Chief Financial Officer (CFO) Model

Effective fiscal year 2009-2010, the CFO model takes effect to address the requirements of the Accountability Act. This will encompass the increased oversight and reporting requirements necessary to meet the spirit and intent of enhanced government-wide accountability, including the challenge function, formal attestation activity, as well as support to the evolving corporate governance structure, and a range of changes to financial policies.

Real Property Services

The overall Defence real property portfolio is in many respects the largest and most complex of the Government of Canada, comprising 33 percent of all federal buildings and 7 percent of all federal land, with 25 main installations or military bases across Canada. The total realty replacement cost of Defence-owned buildings and works, including housing, is estimated at $21 billion. Evolving Defence requirements over many

years have dictated the nature, number and diversity of real property assets in the portfolio today. Suitable real property assets are essential to support operations at home and abroad, to accommodate and train personnel, to store and maintain equipment, and, generally, to fulfill the defence mission. The importance of real property has been recognized as one of the four pillars upon which military capabilities are built in the *Canada First* Defence Strategy.

Real property assets are a major strategic resource. With such a diverse and ageing portfolio, in which more than 50 percent of the assets are more than 50 years old, there are significant challenges associated with the stewardship of real property, including a dynamic and evolving Defence structure, a complex web of rules, shifting demographics straining human resource capacity, a varying market economy and dated real property information management and information technology processes and systems.
In order to address the challenges and issues related to the real property portfolio, in fiscal year 2009-2010, the Defence management team will:

- Develop and communicate a Real Property strategy to focus and guide realty property asset activities towards a common goal;
- Evolve and communicate a Real Property National Portfolio Management Framework;
- Implement recommendations from the 2008 National Portfolio Management Plan to effect a portfolio management approach for real property to ensure common, integrated and efficient investment decisions.

Furthermore, Defence has over 400 construction projects that are at different stages of approval and implementation in the current and next two fiscal years. Advancing these projects provides a great opportunity for Defence to contribute to the Government's plan to strengthen the economy in communities across Canada while meeting the *Canada First* Defence Strategy goal of replacing or refurbishing 25 percent of the Defence infrastructure portfolio in 10 years and 50 percent in 20 years. Achieving this initiative will require the revamping of departmental planning, approval and risk management processes for construction projects.

For additional information on major projects in the Capital Construction Program see Section III: Supplementary Information – Tables 10a and 10b.

Section III: Supplementary Information

Financial and Human Resource Tables

The following information is available on the Treasury Board Secretariat web site at: http://www.tbs-sct.gc.ca/estsd-bddc/index-eng.asp

Table 1:	Details of Transfer Payment Programs
Table 2:	Green Procurement
Table 3:	Sustainable Development Strategy
Table 4:	Internal Audits
Table 5:	Evaluations
Table 6:	Loans, Investments, and Advances (Non-Budgetary)
Table 7:	Sources of Respendable and Non-Respendable Revenue
Table 8:	Status Report on Major Crown Projects
Table 9:	Summary of Capital Spending by Program Activity

The following information is available on the Department of National Defence web site at: http://www.vcds.forces.gc.ca/sites/page-eng.asp?page=6035

Table 1b:	Summary of Transfer Payments Program by PAA
Table 1c:	Details on Transfer Payments Programs over $5 million
Table 10a:	Details on Project Spending (Capital) Greater than $30 million
Table 10b:	Capital Construction Program Spending over $60 million
Table 11a:	Cost Estimates for CF International Operations
Table 11b:	Cost Estimates for CF Domestic and Continental Operations
Table 12:	Response to Parliamentary Committees and External Audits
Table 13:	Accrual Budgeting and Major Projects
Table 14:	Departmental and Capital Planned Spending by PAA Sub-Activity
Table A:	Military (Regular Force) by Program Activity
Table B:	Civilian Full-Time Equivalents by Program Activity

Section IV: Human and Financial Resource Tables on Defence and Selected Defence Portfolio Organizations

The following information is available on the Department of National Defence web site at: http://www.vcds.forces.gc.ca/sites/page-eng.asp?page=6035

Table 1:	Reserve Force
Table 2:	Communications Security Establishment Canada
Table 3:	Office of the Judge Advocate General
Table 4:	Office of the Ombudsman for the Department of National Defence and the Canadian Forces
Table 5:	Defence Research and Development Canada
Table 6:	National Search and Rescue Secretariat

Section V: Additional Information

Appendices

The following information is available on the Department of National Defence web site at: http://www.vcds.forces.gc.ca/sites/page-eng.asp?page=6035

- A. The Selected Defence Portfolio
  - A1: National Search and Rescue Secretariat
  - A2: Communications Security Establishment Canada
  - A3: Defence Research and Development Canada
  - A4: Office of the Ombudsman for the Department of National Defence and the Canadian Forces
- B. Legislation and Regulations Administered
- C. Performance Indicators and Targets
- D. Other Domestic and Continental Operational Commitments
- E. Other International Missions
- F. Key Partners and Stakeholders
- G. Employment Equity and Official Languages
- H. Overview of Delivery Mechanisms
- I National Defence Organization Chart
- J. Departmental Link to Government of Canada Outcome Areas
- K. Primary Reserve Cost Element Allocation to the PAA

List of Acronyms

C

CF	Canadian Forces
CFDS	*Canada First* Defence Strategy
CFO	Chief Financial Officer
CSEC	Communications Security Establishment Canada
CSTC-A	Combined Security Transition Command-Afghanistan

D

DHRIM	Directorate Human Resources Information Management
DND	Department of National Defence
DRDC	Defence Research and Development Canada

E

EBP	Employee Benefit Plan

F

FTE	Full Time Equivalent
FY	Fiscal Year
FCSAP	Federal Contaminated Sites Action Plan

I

IM	Information Management
IT	Information Technology
IP	Investment Plan
ISAF	International Security Assistance Force
ISR	Intelligence, Surveillance and Reconnaissance

J

JTF-Afg	Joint Task Force Afghanistan
JUSTAS	Joint UAV Surveillance and Target Acquisition System

M

MAF	Management Accountability Framework
MHLH	Medium-to Heavy-Lift Helicopter
MRRS	Management, Resources and Results Structure
MTAP	Military Training Assistance Program

N

NAEW&CF	NATO Airborne Early Warning and Control Force
NATO	North Atlantic Treaty Organization
NCM	Non-Commissioned Members
NORAD	North American Aerospace Defence
NSIP	NATO Security Investment Programme
NSS	National Search and Rescue Secretariat

O

OFF	Officers
OGDs	Other Government Departments
OMB	Office of the Ombudsman
OSCE	Organization for Security and Cooperation in Europe

P

PAA	Program Activity Architecture
PMPR	Project Management Personnel Resources
PSTP	Public Security Technical Program

R

RCMP	Royal Canadian Mounted Police
RegF	Regular Force
RPP	Report on Plans and Priorities

S

SAR	Search and Rescue
SCR	Strategic Capability Roadmap
SWE	Salary Wage Envelope

T

TFA	Task Force Afghanistan

U

UN	United Nations
UNAMA	United Nations Assistance Mission in Afghanistan

Contact Listing

Plans and Priorities and Departmental Performance Information

Vice-Admiral J.A.D. Rouleau, OMM, CD Vice Chief of the Defence Staff National Defence Headquarters 101 Colonel By Drive Ottawa, Ontario K1A 0K2	Telephone: (613) 992-6052 Facsimile: (613) 992-3945

Financial Information

Rear-Admiral Bryn M. Weadon, CMM, CD, CMA, PLog Assistant Deputy Minister (Finance and Corporate Services) National Defence Headquarters 101 Colonel By Drive Ottawa, Ontario K1A 0K2	Telephone: (613) 992-5669 Facsimile: (613) 992-9693

General Inquiries

Ms Josée Touchette Assistant Deputy Minister (Public Affairs) National Defence Headquarters 101 Colonel By Drive Ottawa, Ontario K1A 0K2	Telephone: (613) 996-0562 Facsimile: (613) 995-2610 Email: information josee.touchette@forces.gc.ca

Internet sites on the World Wide Web

Department of National Defence	www.forces.gc.ca
Office of the Judge Advocate General	www.forces.gc.ca/jag/index-eng.asp
Office of the Ombudsman for National Defence and the Canadian Forces	www.ombudsman.forces.gc.ca
National Search and Rescue Secretariat	www.nss.gc.ca
Defence Research & Development Canada	www.drdc-rddc.gc.ca
Communications Security Establishment Canada	www.cse-cst.gc.ca
Defence Planning and Management	www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=5606

Index

accountability 33, 35, 37
acquisition 9, 21, 29, 36
Afghanistan 2, 6, 9, 13, 16, 19, 20, 25, 29, 30, 32
agencies 1, 2, 6
Air Force 9
aircraft 21, 32
airlift 10
Arctic ..... i, 2, 14, 21, 26, 28, 29
Army 19, 30, 33
assistance 29, 30
audit 36, 37
benefit 32, 33
Cadet 16, 18, 31, 33
Canada First .. i, 2, 3, 6, 9, 16, 22, 32, 35, 38, 44
Canadian Rangers 29, 33
Capability 9, 45
CFDS ..... i, 2, 3, 6, 21, 22, 23, 32, 35, 44
challenge 24, 37
civilian 17, 20, 25
combat 1, 21, 30
command and control 33
commitments 4, 17, 19, 20, 22, 31, 36
communities 17, 24, 33
community 4, 18, 24, 31, 34
conduct operations 22, 27
confidence 4, 17, 19, 20
continental 27, 28
contract 32
contribute 26, 29, 32, 34, 38
control 2, 7, 29, 33, 35, 37
cooperation 1, 17, 18, 32
credible 4, 17, 19, 20
decision-making 33, 35, 37
Defence Act 1, 6
Defence Plan 6, 46
Defence Portfolio 1, 41, 43
deployment 30
development 7, 19, 20, 26, 28, 30, 32, 35, 36
direction 2, 3, 6
diversity 24, 38
domestic 4, 17, 19, 21, 25, 27, 28
economic 3, 24, 32, 38
education 31
effective 6, 29, 33
Employment Equity 43
environment 2
equipment ..... i, 3, 6, 10, 21, 35, 38
excellence ..... i, 2, 19, 28, 34
expansion 10, 15, 16, 23, 29, 36, 37
families 25
family 6, 24, 25
Financial Management 34, 36, 37, 44
fleet 21
FTE 16, 21, 27, 31
generate 24
generation 32
goals 6, 23, 35
governance 4, 7, 18, 35, 37
Government of Canada 17, 18, 27, 30, 31, 36, 37, 43
growth ... 6, 17, 20, 21, 23, 25, 28, 31, 36
heritage 18
Human Resources 11, 12, 15, 16, 17, 20, 27, 31, 34, 44
identity 4, 18, 31
improvement 19, 26, 34
Information Management ... 3, 13, 16, 34, 35, 44
Information Technology 3, 34, 35, 44
Infrastructure 3
initiatives 6, 7, 10, 11, 12, 13, 14, 21, 28, 32
intelligence 19, 22, 27, 28
international i, 1, 2, 4, 17, 18, 27, 29, 30, 31, 34
investment ..... i, 21, 32, 35, 38
joint 22
knowledge 18, 21, 26
land 10, 13, 19, 28, 33, 37
leadership 2, 7, 19, 26, 28, 32, 35
Main Estimates 9, 18
maintenance 22, 30, 32
Maritime 13
military .... i, 1, 2, 3, 7, 18, 19, 21, 22, 23, 24, 25, 28, 29, 30, 31, 32, 35, 37

mission ..... i, 1, 2, 3, 6, 22, 25, 30, 38
modernization 2, 10, 22, 29, 35
MRRS 4, 7, 19, 35
NATO 19, 29, 30, 32
Navy 33
NORAD 28
North America ..... i, 1, 2, 17, 18, 28
objective 37
Official Languages 43
Ombudsman ... 16, 21, 28, 32, 41, 43, 45, 46
operational tempo 3, 24
operations2, 4, 16, 20, 26, 27, 28, 29, 30, 32, 38
opportunities 24, 26, 32
opportunity 32, 38
organization 24
PAA 4, 6, 34, 39
partners 28, 29, 30
partnership 17, 18
peace ..... i, 1, 4, 17, 25, 27, 29, 30, 32
Performance Measurement 35
planning 2, 4, 7, 16, 19, 22, 23, 28, 29, 34, 38
policy 1, 2, 7, 21, 32, 36
portfolio 1, 37, 38
Primary Reserve ... 16, 20, 23, 25, 27, 31, 33
priorities 6, 7, 30, 32, 35, 37
procurement 21, 32
Program Activities 6, 7, 18, 19, 20, 34
project 2, 9, 10, 13, 15, 21, 28, 29
readiness ..... i, 3, 4, 6, 25, 28, 35
real property 37, 38
reallocation 14, 21, 28, 32
reconnaissance 22, 27
recruiting 23, 24
reduction 9, 12
Regular Force ... 3, 15, 16, 17, 20, 22, 23, 27, 31, 33, 39
Regulations 1, 43
relevant 4, 17, 19, 20
research 7, 11, 12, 19, 20, 28, 32
resources 1, 2, 3, 4, 6, 7, 8, 9, 16, 21, 23, 26, 35, 37
Respendable Revenue 39
retention 7, 23, 24, 26
risks 6, 30
Search and Rescue . 1, 16, 17, 21, 22, 27, 28, 32, 41, 43, 45, 46
security .... i, 1, 2, 3, 4, 10, 11, 12, 13, 17, 19, 20, 21, 27, 28, 29, 30, 32, 36
sovereignty ..... i, 20, 21, 28, 32
special 22, 26
spending 2, 8, 9, 15, 17, 18, 34, 37
stability 2, 4, 17, 27, 29, 30
staffing 7, 26
strategic 3, 4, 16, 21, 22, 30, 36, 38
strategy 3, 24, 36, 38
strength 16, 22, 23, 24
strengthen ..... i, 3, 7, 22, 26, 35
success 23, 26
support .. 2, 3, 6, 7, 11, 12, 16, 19, 20, 21, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38
surveillance 19, 22, 27, 28, 29, 32
sustain 3, 10, 23, 36, 37
technology 10, 21, 26, 29, 32, 38
threats 2, 11
training 19, 24, 25, 26, 28, 30, 31, 33
transfer 13, 26
transformation 21, 24, 35
United Nations 30, 45
United States ..... i, 1, 2, 28
Values 10, 31
Web of Rules 7, 19, 35, 36
Winter Olympics . i, 6, 14, 16, 19, 20, 26, 28, 30
youth 18, 31, 33